

DRAFT Comparison of Current Law to Proposed New Merit Scholarship Compromise

Current Law	Proposed New Merit Scholarship: Compromise
Definitions:	
Public or private colleges and universities are approved.	Public or private colleges and universities are approved; no Pell-eligible requirement.
No definition for clock hour.	Clock hour: 50-60 minutes of class, lecture, lab, training, internship, or correspondence course.
Eligible costs: tuition, fees, room, board, books, supplies, transportation, day care, and other costs as determined by the Merit Board.	No definition for eligible costs.
No definition for volunteer community service.	No definition for volunteer community service.
General:	
Merit Trust Fund: receives 75% of State's national tobacco settlement revenue.	Merit Trust Fund: after securitization, receives 100% of State's national tobacco settlement revenue.
Creation of 7-member Merit Award Board.	No Board; Department of Treasury administers.
Board reporting requirements include list of approved institutions, number and dollar amount of annual awards, assessment test results, scores, and other assessment test information.	Reporting requirements for number and dollar amount of annual awards paid to each postsecondary institution.
Award can be adjusted by Board but increases are limited to 5%; requires prior notification to Governor and Legislature.	State Treasurer can prorate award if appropriations are insufficient; requires prior notification to Governor and Legislature; no authority to adjust for inflation.
Eligibility:	
Began with high school graduating class of 2000.	Begins with high school graduating class of 2008.
Qualifying results in each of the subject areas of reading, writing, math, and science; or in 2 subject areas and top 25% on ACT or SAT; or in 2 subject areas and qualifying score on Work Keys test.	Must take the assessment test but no qualifying results are required; if qualifying results are achieved, student would receive part of award sooner.
Middle school award requires qualifying results in 2, 3, or 4 of the subject areas of reading, writing, math, and science in grades 7 and 8.	No middle school component.
Complete 40 hours of volunteer community service.	No volunteer community service requirement.
No such requirement.	Upfront qualifiers must complete 3 years each of high school math and science; rigorous content standards to be developed by DOE; begins with class of 2010.
No such requirement.	Backend qualifiers must complete and file a FAFSA.
Enrollment in a postsecondary school within 4 years.	Enrollment in a postsecondary school within 2 years.
No such requirement.	Cumulative postsecondary GPA of 2.5.
No such requirement.	Completion of an associate's degree, 2-year certificate, a comparable vocational training program, or 50% or more of the requirements for a bachelor's degree (less than 50% for 5-year programs).
Award Amounts:	
\$2,500 for students attending in-State schools plus an amount ranging from \$250 to \$500 if a student qualifies for a middle school award; \$1,000 for students attending out-of-State schools.	\$4,000 or a pro-rata amount based on clock hours for students in vocational education programs that require less than 2 years to complete; no Pell Grant offset.
Award Disbursement:	
For in-State schools, up to \$1,500 per year with a maximum of \$3,000; for out-of-State schools, up to \$1,000 per year with a maximum of \$1,000.	For students with qualifying results on test: \$1,000 during 1 st and 2 nd years of enrollment with an additional \$2,000 paid after completion of 2 academic years. For students without qualifying results on test: \$4,000 paid after completion of 2 years. For less than 2-year vocational programs: pro-rata amount after completion, with balance available for further education within 2 years.